

## **THE MUNICIPAL SERVICE BENEFIT UNIT PROGRAM**

The Seminole County Board of County Commissioners' Municipal Service Benefit Unit (MSBU) Program provides property owners in unincorporated areas with an opportunity to acquire essential improvements. Chapter 125.01(q)1 of the Florida Statutes authorizes the Board of County Commissioners to provide for the establishment, merging, or abolishment of MSBUs for any part or all of the unincorporated area of the County.

The funds necessary to support the cost of providing MSBU improvements are billed and collected via the annual property tax bill of the benefiting properties. These assessments are classified as non-ad valorem assessments. Non-ad valorem assessments are not based on millage but on the cost to provide the improvements and corresponding benefit to the assessed property. Chapter 197.3632 of the Florida Statutes provides for the levy, collection and enforcement of non-ad valorem assessments through the uniform method.

In 1989, the MSBU Program Guidelines and Procedures for creating MSBU districts were approved by the Board of County Commission. Under the MSBU Program, four main categories for MSBU districts are sanctioned: Aquatic Weed Control, Construction, Solid Waste Collection & Disposal, and Residential Street Lighting.

The first MSBU program was established in 1972, initiating a Street Lighting District for the English Estates subdivision. The Street Lighting Program will have 364 districts for FY03/04 and will receive applications for approximately 7-10 new districts and 20-25 district upgrades each year.

A Solid Waste Collection and Disposal MSBU was established May 10, 1994 and includes all residential property in unincorporated Seminole County. The Solid Waste Collection and Disposal MSBU includes over 65,000 assessed customers.

Other MSBU districts currently encompass six active projects inclusive of one road paving and drainage project, two water service projects, two aquatic weed control projects, and one maintenance project. The creation of a Walls MSBU District is projected for FY04/05.

The method for calculating assessment varies for each type of MSBU. The calculation base is determined according to the most equitable unit for determining benefit. For example, some districts are assessed on a per lot basis, while other may be calculated according to other units, such as per homesite, per front foot, per acre, etcetera.

There are two main types of non-ad valorem assessments utilized within the MSBU Program - term assessments and annually renewed assessments. Term assessments are generally related to construction projects that required extended financing over a period of years in order to enhance the affordability of the project for repayment by property owners. Term assessments are assigned a fixed amount to be paid annually for a specific number of years. Repayment terms may vary from one year to ten years.

Annually renewed or open-ended assessments are assigned to districts that do not have a fixed closure date and for which the assessment amounts are calculated annually. The dollar amount of annually renewed assessments is based on the projected cost to provide continuation of the service or improvements in the forthcoming year. Assessments for solid waste collection and disposal, street lighting or aquatic weed control districts are examples of annually renewed assessments. Assessments for these district types are often continuous.

Communities may apply and petition to establish new MSBU districts for essential improvements related to health or safety, such as; road paving and drainage, water and/or sewer service, sidewalks, aquatic weed control, neighborhood perimeter wall reconstruction, residential street lighting and retention pond restoration.